

**OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON, D.C.
20508**

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**FOR IMMEDIATE RELEASE
DECEMBER 13, 2000**

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**USTR, CEQ RELEASE FINAL GUIDELINES ON
IMPLEMENTATION OF EXECUTIVE ORDER REGARDING
ENVIRONMENTAL REVIEWS OF TRADE AGREEMENTS**

The Office of the United States Trade Representative (USTR) and the Council on Environmental Quality (CEQ) today released final guidelines for implementing Executive Order 13141—Environmental Review of Trade Agreements. The Executive Order, signed by President Clinton in November 1999, commits the United States to careful assessment and consideration of the environmental impacts of future trade agreements, including written reviews of certain major trade agreements. The Order directs USTR and CEQ to develop these implementing guidelines.

“The final guidelines will help us negotiate trade agreements that are both good for trade and good for the environment,” said U.S. Trade Representative Charlene Barshefsky. “The key is public involvement to ensure that pertinent environmental issues are identified and explored as trade agreement negotiations move forward. This is the approach we are taking in our current negotiations, including the Free Trade Areas of the Americas and the Singapore and Chile free trade agreements.”

CEQ Chair George T. Frampton, Jr. said: “The final guidelines represent a major milestone in the President’s effort to bring environmental issues into the mainstream of trade policy. They formalize a unparalleled process for public involvement and rigorous analysis of environmental issues. The guidelines will help the United States marshal the full range of relevant expertise for this task. Future trade agreements will be stronger for this effort.”

Barshefsky and Frampton also announced today that USTR will shortly begin the interagency process required before initiating an environmental review of the ongoing negotiations of the built-in agenda at the World Trade Organization. Further, the interagency process will assess the environmental significance of other negotiations that may be added to the built-in agenda.

“Our clear expectation is that the WTO built-in agenda will be subject to an environmental review once the scope of the negotiations crystallizes,” said Ambassador Barshefsky.

In developing the environmental guidelines released today, USTR and CEQ sought to involve all interested stakeholders, and the views of the public played a significant role in shaping the final product, including through a series of public workshops, a public hearing and public comment periods. USTR and CEQ also consulted closely with key Members of Congress and the trade advisory committees, including the Trade and Environment Policy Advisory Committee (TEPAC). The Administration’s environmental, economic, and foreign affairs agencies also collaborated with USTR and CEQ in developing the guidelines.

The final guidelines provide for the integration of environmental considerations into the development of trade policy objectives. They provide significant opportunities for public participation, including early public outreach and consultations concerning what the U.S. objectives in a trade agreement should be, an open and public process for determining the scope of the review, and opportunities to comment on draft reviews. The guidelines were sent to the *Federal Register* today and are being posted on the USTR Web site, www.ustr.gov.

Background

Executive Order 13141 institutionalizes the use of environmental reviews as an important policy tool to help identify potential environmental effects of trade agreements, both positive and negative, and to help facilitate consideration of appropriate responses where effects are identified. The Order requires reviews of certain major types of trade agreements: comprehensive multilateral trade rounds, multilateral or bilateral free trade agreements, and major new agreements in natural resource sectors.

Environmental reviews may also be warranted for other agreements based on such factors as the significance of reasonably foreseeable environmental impacts, although it is anticipated that most sectoral liberalization agreements will not require reviews.

The United States has previously conducted environmental reviews of several major trade agreements, including the North American Free Trade Agreement in 1992 and 1993 and the Uruguay Round Agreements in 1994. In November 1999, the United States prepared a study of the economic and environmental effects of the proposed Accelerated Tariff Liberalization initiative with respect to forest products.

Draft guidelines implementing the Executive Order were published in July, and a public hearing was held in August. After receiving and considering public input on the draft guidelines, USTR and CEQ are now publishing the final guidelines.

USTR is finalizing the review of the Jordan Free Trade Agreement concluded in October, and is also conducting environmental reviews of the Free Trade Area of the Americas and the Singapore and Chile free trade agreements currently under negotiation.

